

For the reasons set forth in the preamble, 7 CFR part 986 is amended as follows:

PART 986—PECANS GROWN IN THE STATES OF ALABAMA, ARKANSAS, ARIZONA, CALIFORNIA, FLORIDA, GEORGIA, KANSAS, LOUISIANA, MISSOURI, MISSISSIPPI, NORTH CAROLINA, NEW MEXICO, OKLAHOMA, SOUTH CAROLINA, AND TEXAS

■ 1. The authority citation for 7 CFR part 986 continues to read as follows:

Authority: 7 U.S.C. 601–674.

■ 2. Add § 986.177 to subpart B to read as follows:

§ 986.177 Reports of pecans received by handlers.

(a) *Summary report U.S. pecans received for your own account.* Handlers shall submit to the Council, by the tenth day of the month, a summary report of inshell domestic pecans received during the preceding month. Should the tenth day of the month fall on a weekend or holiday, reports are due by the first business day following the tenth day of the month. The report shall be submitted to the Council on APC Form 1 and contain the following information:

- (1) The name and address of the handler;
- (2) The month covered by the report;
- (3) The total weight and type of inshell pecans received, and the weight by variety for improved pecans received during the reporting period;
- (4) The total weight and type of inshell pecans received, and the weight by variety for improved pecans received year to date; and,
- (5) Assessments due on pecans received during the reporting period to be paid by the due date of the report.

(b) *Pecans purchased outside the United States.* Handlers shall submit to the Council, by the tenth day of the month, a summary report of shelled and inshell pecans imported during the preceding month. Should the tenth day of the month fall on a weekend or holiday, reports are due by the first business day following the tenth day of the month. The report shall be submitted to the Council on APC Form 6 and contain the following information:

- (1) The name and address of the handler;
- (2) The month covered by the report;
- (3) The date the pecans were imported;
- (4) The country of origin; and,
- (5) The total weight of shelled and inshell pecans received, and the weight by variety for improved pecans received.

■ 3. Add § 986.178 to subpart B to read as follows:

§ 986.178 Other reports.

(a) *Report of shipments and inventory on hand.* Handlers shall submit to the Council, by the tenth day of the month following the month of activity, a report of all shipments, inventory, and committed inventory for pecans. Should the tenth day of the month fall on a weekend or holiday, reports are due by the first business day following the tenth day of the month. The report shall be submitted to the Council on APC Form 2 and contain the following information:

- (1) The name and address of the handler;
- (2) The month covered by the report;
- (3) The weight of all shipments of pecans, inshell and shelled, and inter-handler transfers shipped and received during the reporting period;
- (4) The weight of all shipments of pecans, inshell and shelled, and inter-handler transfers shipped and received in the previous month and year to date;
- (5) Total inventory held by handler;
- (6) All the inventory committed (pecans not shipped, but sold or otherwise obligated) whether for domestic sale or export; and,
- (7) The weight of all shelled or inshell pecans under contract for purchase from other handlers.

(b) *Exports by country of destination.* Handlers shall submit to the Council, by the tenth day of the month following the month of shipment, a report of exports. Should the tenth day of the month fall on a weekend or holiday, reports are due by the first business day following the tenth day of the month. The report shall be reported to the Council on APC Form 3 and contain the following information:

- (1) The name and address of the handler;
 - (2) The month covered by the report;
 - (3) The total weight of pecans shipped for export, whether inshell, shelled, or substandard during the reporting period;
 - (4) The total weight of pecans shipped for export, whether inshell, shelled, or substandard during the previous period and year to date; and,
 - (5) The destination(s) of such exports.
- (c) *Inshell pecans exported to Mexico for shelling and returned to the United States as shelled meats.* Handlers shall submit to the Council, by the tenth day of the month following the month of shipment, a report of all inshell pecans exported to Mexico for shelling and returned to the United States as shelled pecans. Should the tenth day of the month fall on a weekend or holiday,

reports are due by the first business day following the tenth day of the month. The report shall be submitted to the Council on APC Form 5 and contain the following information:

- (1) The name and address of the handler;
- (2) The month covered by the report;
- (3) The date of inshell shipment(s);
- (4) The weight of pecans exported for shelling;
- (5) The date shelled pecans returned to the United States after shelling;
- (6) The weight of shelled pecans returned to the United States after shelling; and
- (7) The total weight of inshell pecans exported to Mexico for shelling, and shelled pecans returned from Mexico, year to date.

Dated: February 15, 2018.

Bruce Summers,

Acting Administrator, Agricultural Marketing Service.

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SMALL BUSINESS ADMINISTRATION

13 CFR Parts 107, 120, 142, and 146

RIN 3245–AG96

Civil Monetary Penalties Inflation Adjustments

AGENCY: U.S. Small Business Administration.

ACTION: Final rule.

SUMMARY: The Small Business Administration (SBA) is amending its regulations to adjust for inflation the amount of certain civil monetary penalties that are within the jurisdiction of the agency. These adjustments comply with the requirement in the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, to make annual adjustments to the penalties.

DATES: *Effective Date:* This rule is effective February 21, 2018.

FOR FURTHER INFORMATION CONTACT: Arlene Embrey, 202–205–6976, or at arlene.embrey@sba.gov.

SUPPLEMENTARY INFORMATION:

I. Background

On November 2, 2015, the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (the 2015 Inflation Adjustment Improvements Act), Public Law 114–74, 129 Stat. 584, was enacted. This act amended the Federal Civil Penalties Inflation

Adjustment Act of 1990, Public Law 101-410, 104 Stat 890 (the 1990 Inflation Adjustment Act), to improve the effectiveness of civil monetary penalties and to maintain their deterrent effect. The 2015 Inflation Adjustment Improvements Act required agencies to issue an interim final rule by August 1, 2016, to adjust the level of civil monetary penalties with an initial “catch-up” adjustment, and to annually adjust these monetary penalties for inflation by January 15 of each subsequent year. The act authorizes agencies to implement the annual adjustments without regard to the requirements for public notice and comment or delayed effective date under the Administrative Procedures Act (the APA), 5 U.S.C. 553(b)(3)(B) and (d)(3), respectively.

In addition, based on the definition of a “civil monetary penalty” in the 1990 Inflation Adjustment Act, agencies are to make adjustments only to the civil penalties that (i) are for a specific monetary amount as provided by Federal law or have a maximum amount provided for by Federal law; (ii) are assessed or enforced by an agency; and (iii) are enforced or assessed in an administrative proceeding or a civil action in the Federal courts. Therefore, penalties that are stated as a percentage of an indeterminate amount or as a function of a violation (penalties that encompass actual damages incurred) are not to be adjusted.

On May 19, 2016, SBA published an interim final rule with its initial adjustments to the civil monetary penalties, including an initial “catch-up” adjustment. 81 FR 31489. These adjusted penalties became effective on August 1, 2016. SBA published its first annual adjustments to the monetary penalties in the **Federal Register** on February 9, 2017 (82 FR 9967), with an immediate effective date. This rule will establish the adjusted penalty amounts for 2018.

According to the 2015 Inflation Adjustment Improvements Act and the Office of Management and Budget implementing guidance in M-18-03, Implementation of Penalty Inflation Adjustments for 2018, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, (December 15, 2017), the formula for calculating the annual adjustments is based on the Consumer Price Index for all Urban Consumers (CPI-U) for the month of October preceding the adjustment, and specifically on the change between the October CPI-U preceding the date of adjustment and the prior year’s CPI-U. Based on this methodology, the 2018 civil monetary

penalty adjustment is 1.02041 (October 2017 CPI-U (246.663)/October 2016 CPI-U (241.729) = 1.02041). The annual adjustments identified in this rule were obtained by applying this multiplier to the most recently adjusted penalty amounts that were published on February 9, 2017 (82 FR 9967).

II. Civil Money Penalties Adjusted by This Rule

This rule makes adjustments to civil monetary penalties authorized by the Small Business Act, the Small Business Investment Act of 1958 (SBIAct), the Program Fraud Civil Remedies Act, and the Byrd Amendment to the Federal Regulation of Lobbying Act. These penalties and the implementing regulations are discussed below.

1. 13 CFR 107.665—Civil Penalties

SBA licenses, regulates and provides financial assistance to financial entities called small business investment companies (SBICs). Pursuant to section 315 of the SBIAct, 15 U.S.C. 687g, SBA may impose a penalty on any SBIC for each day that it fails to comply with SBA’s regulations or directives governing the filing of regular or special reports. The penalty for non-compliance is incorporated in § 107.665 of the SBIC program regulations.

This rule amends § 107.665 to adjust the current civil penalty from \$254 to \$259 for each day an SBIC fails to file a required report. The current civil penalty amount of \$254 was multiplied by the multiplier of 1.02041 to reach a product of \$259, rounded to the nearest dollar.

2. 13 CFR 120.465—Civil Penalty for Late Submission of Required Reports

According to the regulations at § 120.465, any SBA Supervised Lender, as defined in 13 CFR 120.10, that violates a regulation or written directive issued by the SBA Administrator regarding the filing of any regular or special report is subject to the civil penalty amount stated in § 120.465(b) for each day the company fails to file the report, unless the SBA Supervised Lender can show that there is reasonable cause for its failure to file. This penalty is authorized by section 23(j)(1) of the Small Business Act, 15 U.S.C. 650(j)(1).

This rule amends § 120.465 to adjust the current civil penalty to \$6,460 per day for failure to file. The current civil penalty of \$6,331 was multiplied by the multiplier of 1.02041 to reach a product of \$6,460, rounded to the nearest dollar.

3. 13 CFR 142.1—Overview of Regulations

SBA has promulgated regulations at 13 CFR part 142 to implement the civil penalties authorized by the Program Fraud Civil Remedies Act of 1986 (PFCRA), 31 U.S.C. 3801-3812. The current electronic Code of Federal Regulations (eCFR) at § 142.1(b) states that a person who submits, or causes to be submitted, a false claim or a false statement to SBA is subject to a civil penalty of not more than \$10,781, for each statement or claim. However, this amount reflected in the eCFR is incorrect. Rather, the correct adjusted amount for 2017, as published in the February 9, 2017 rule, was \$10,957 (the product of \$10,781 and the multiplier of 1.10636). Therefore, this final rule makes the required adjustment for 2018 based on the correct published amount of \$10,957. Accordingly, the rule amends § 142.1(b) to adjust the current civil penalty to \$11,181 per statement or claim. The adjusted civil penalty amount was calculated by multiplying the civil penalty amount of \$10,957 by the multiplier of 1.02041 to reach a product of \$11,181, rounded to the nearest dollar.

4. 13 CFR 146.400—Penalties

SBA’s regulations at 13 CFR part 146 govern lobbying activities by recipients of federal financial assistance. These regulations implement the authority in 31 U.S.C. 1352, which was established in 1989, and impose penalties on any recipient that fails to comply with certain requirements in the part. Specifically, under § 146.400(a) and (b), penalties may be imposed on those who make prohibited expenditures or fail to file the required disclosure forms or to amend such forms, if necessary.

This rule amends § 146.400(a) and (b), to adjust the current civil penalty amounts to “not less than \$19,639 and not more than \$196,387.” The current civil penalty amounts of \$19,246 and \$192,459 were multiplied by the multiplier of 1.02041 to reach a product of \$19,639 and \$196,387, respectively, rounded to the nearest dollar.

This rule also amends § 146.400(e) to adjust the civil penalty that may be imposed for a first time violation of § 146.400(a) and (b) to a maximum of \$19,639 and to adjust the civil penalty that may be imposed for second and subsequent offenses to “not less than \$19,639 and not more than \$196,387.” The current civil penalty amounts of \$19,246 and \$192,459 were multiplied by the multiplier of 1.02041 to reach a product of \$19,639 and \$196,387,

respectively, rounded to the nearest dollar.

III. Justification for Final Rule

The Inflation Adjustment Act provides that agencies shall annually adjust civil monetary penalties for inflation notwithstanding Section 553 of the APA. Additionally, the Inflation Adjustment Act provides a nondiscretionary cost-of-living formula for annual adjustment of the civil monetary penalties. For these reasons, the requirements in sections 553(b), (c), and (d) of the APA, relating to notice and comment and requiring that a rule be effective 30 days after publication in the **Federal Register**, are inapplicable.

IV. Justification for Immediate Effective Date

Section 553(d) requires agencies to publish their rules at least 30 days before their effective dates, except if the agency finds for good cause that the delay is impracticable, unnecessary, or contrary to the public interest. By expressly exempting this rule from section 553, the 2015 Inflation Adjustment Improvements Act has provided SBA with the good cause justification for this rule to become effective on the date it is published in the **Federal Register**.

Compliance With Executive Orders 12866, 12988, 13132, 13771, and the Paperwork Reduction Act (44 U.S.C. Ch. 35) and the Regulatory Flexibility Act (5 U.S.C. 601–612)

Executive Order 12866

The Office of Management and Budget has determined that this final rule is not a significant regulatory action under Executive Order 12866. This is also not a major rule under the Congressional Review Act, 5 U.S.C. 800.

Executive Order 12988

This action meets applicable standards set forth in Sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to minimize litigation, eliminate ambiguity, and reduce burden. The action does not have retroactive or preemptive effect.

Executive Order 13132

For the purpose of Executive Order 13132, SBA has determined that the rule will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, this final rule has no federalism implications warranting preparation of a federalism assessment.

Executive Order 13771

This rule is not an Executive Order 13771 regulatory action because this rule is not significant under Executive Order 12866.

Paperwork Reduction Act

SBA has determined that this rule does not impose additional reporting or recordkeeping requirements.

Regulatory Flexibility Act (RFA)

The RFA requires agencies to consider the effect of their regulatory actions on small entities, including small non-profit businesses, and small local governments. Pursuant to the RFA, when an agency issues a rule the agency must prepare an analysis that describes whether the impact of the rule will have a significant economic impact on a substantial number of such small entities. However, the RFA requires such analysis only where notice and comment rulemaking is required. As stated above, SBA has express statutory authority to issue this rule without regard to the notice and comment requirement of the Administrative Procedure Act. Since notice and comment is not required before this rule is issued, SBA is not required to prepare a regulatory analysis.

List of Subjects

13 CFR Part 107

Investment companies, Loan programs—business, Reporting and recordkeeping requirements, Small businesses.

13 CFR Part 120

Loan programs—business, Reporting and recordkeeping requirements, Small businesses.

13 CFR Part 142

Administrative practice and procedure, Claims, Fraud, Penalties.

13 CFR Part 146

Government contracts, Grant programs, Loan programs, Lobbying, Penalties, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, SBA amends 13 CFR parts 107, 120, 142, and 146 as follows:

PART 107—SMALL BUSINESS INVESTMENT COMPANIES

- 1. The authority citation for part 107 continues to read as follows:

Authority: 15 U.S.C. 681, 683, 687(c), 687b, 687d, 687g, 687m.

§ 107.665 [Amended]

- 2. In § 107.665, remove “\$254” and add in its place “\$259”.

PART 120—BUSINESS LOANS

- 3. The authority citation for part 120 continues to read as follows:

Authority: 15 U.S.C. 634(b)(6), (b)(7), (b)(14), (h) and note, 636(a), (h) and (m), 650, 687(f), 696(3) and 697(a) and (e); Pub. L. 111–5, 123 Stat. 115; Pub. L. 111–240, 124 Stat. 2504; Pub. L. 114–38, 129 Stat. 437.

§ 120.465 [Amended]

- 4. In § 120.465, amend paragraph (b) by removing “\$6,331” and adding in its place “\$6,460”.

PART 142—PROGRAM FRAUD CIVIL REMEDIES ACT REGULATIONS

- 5. The authority citation for part 142 continues to read as follows:

Authority: 15 U.S.C. 634(b); 31 U.S.C. 3803(g)(2).

§ 142.1 [Amended]

- 6. In § 142.1, amend paragraph (b) by removing “\$10,781” and adding in its place “\$11,181”.

PART 146—NEW RESTRICTIONS ON LOBBYING

- 7. The authority citation for part 146 continues to read as follows:

Authority: Section 319, Pub. L. 101–121 (31 U.S.C. 1352); 15 U.S.C. 634(b)(6).

§ 146.400 [Amended]

- 8. In § 146.400, amend paragraphs (a), (b), and (e) by removing “\$19,246” wherever it appears and adding in its place “\$19,639” and by removing “\$192,459” and adding in its place “\$196,387”.

Dated: February 12, 2018.

Linda E. McMahon,
Administrator.

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Docket No. FAA–2017–0856; Airspace Docket No. 17–AWP–10]

Amendment of Class E Airspace; Hanford, CA

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.